

Board of Directors

Maurice M. Taylor Jr.	Chairman and CEO, Titan International, Inc.
Erwin H. Billig	Chairman, MSX International
Edward J. Campbell	Former President, Case Corporation
Richard M. Cashin Jr.	Managing Partner, One Equity Partners LLC
Albert J. Febbo	Former Vice President Corporate Marketing, GE Co.
Mitchell I. Quain	Senior Director, ACI Capital Corp.
Anthony L. Soave	President and CEO, Soave Enterprises LLC

TWI
LISTED
NYSE



TITAN

TITAN INTERNATIONAL, INC.

Report to Stockholders
THIRD QUARTER 2006



TITAN

2006

Third Quarter Report

TITAN INTERNATIONAL, INC.

Dear Stockholders:

Titan International, Inc.'s third quarter experienced further growth. With the acquisition of the Continental Tire North America Inc. (Continental) off-the-road (OTR) tire business, Titan was able to expand its product offering into larger earthmoving, construction and mining tires, in addition to the added manufacturing capacity of the Continental Bryan, Ohio, facility.

Gross profit for the third quarter of 2006 was \$17.1 million, as compared to \$11.0 million in the third quarter of 2005. Year-to-date gross profit was \$70.6 million for 2006, as compared to \$57.6 million for 2005.

Third quarter net sales increased 52 percent, totaling \$156.1 million, compared to \$102.7 million in the third quarter of 2005. Titan's income from operations increased 110 percent in the third quarter to \$4.7 million, compared to \$2.2 million at this time last year. Year-to-date income from operations totaled \$33.7 million, compared to \$29.3 million year-to-date in 2005.

With the 40 percent tax rate in 2006, Titan recorded third quarter net income of \$0.5 million versus a tax benefit and \$1.2 million of net income in 2005. Using a 40 percent tax rate on last year's pretax income, Titan's third quarter 2005 net income would have been \$0.2 million.

Basic and diluted earnings per share were each \$0.02 for the third quarter of 2006, compared to \$0.06 in the third quarter of 2005. Earnings per share amounts for 2006 were affected primarily by the higher effective income tax rate of 40 percent.

Titan will benefit from further growth as the company's newest facilities in Freeport, Illinois, and Bryan, Ohio, are integrated. We look forward to 2007 and its opportunity for a steady farm market and a climbing OTR segment.

Maurice M. Taylor Jr.
Chairman and CEO

Erwin H. Billig
Vice Chairman

Consolidated Condensed Statements of Operations (unaudited)

<i>Amounts in thousands except earnings per share data</i>	Three months ended		Nine months ended	
	September 30,		September 30,	
	2006	2005	2006	2005
Net sales	\$156,120	\$102,712	\$513,891	\$373,550
Cost of sales	139,040	91,739	443,255	315,994
Gross profit	17,080	10,973	70,636	57,556
Selling, general and administrative	10,358	7,418	30,312	24,256
Royalty expense	1,113	0	3,952	0
Idled assets marketed for sale depreciation	902	1,312	2,722	3,992
Income from operations	4,707	2,243	33,650	29,308
Interest expense	(4,565)	(1,781)	(11,997)	(6,723)
Noncash convertible debt conversion charge	0	0	0	(7,225)
Other income (expense)	671	(91)	2,820	1,223
Income before income taxes	813	371	24,473	16,583
Provision (benefit) for income taxes	325	(811)	9,789	0
Net income	\$488	\$1,182	\$14,684	\$16,583
<u>Earnings per common share:</u>				
Basic	\$0.02	\$0.06	\$0.75	\$0.94
Diluted	.02	.06	.65	.83
<u>Average common shares outstanding:</u>				
Basic	19,731	19,422	19,670	17,570
Diluted	20,060	19,617	26,027	25,298

Consolidated Condensed Balance Sheets (unaudited)

	September 30,	December 31,
	2006	2005
Assets		
Current assets:		
Cash and cash equivalents	\$281	\$592
Accounts receivable	97,426	47,112
Inventories	172,485	122,692
Deferred income taxes	11,775	20,141
Prepaid and other current assets	19,646	15,630
Total current assets	301,613	206,167
Property, plant and equipment, net	171,108	140,382
Idled assets marketed for sale	15,215	18,267
Investment in Titan Europe Plc	49,196	48,467
Goodwill	11,702	11,702
Other assets	17,897	15,771
Total assets	\$566,731	\$440,756
Liabilities and Stockholders' Equity		
Current liabilities:		
Short-term debt		
(including current portion of long-term debt)	\$2,255	\$11,995
Accounts payable	49,580	24,435
Other current liabilities	37,392	11,753
Total current liabilities	89,227	48,183
Long-term debt	258,590	190,464
Deferred income taxes	13,837	13,581
Other long-term liabilities	18,382	20,715
Stockholders' equity	186,695	167,813
Total liabilities and stockholders' equity	\$566,731	\$440,756